

## Message Text

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ORIGIN EB-08

INFO OCT-01 AF-08 ARA-06 EA-07 EUR-12 NEA-10 IO-13  
ISO-00 L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06  
AGRE-00 AID-05 CIAE-00 COME-00 INR-07 LAB-04  
NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00 CEA-01 OES-06  
FEA-01 INT-05 /117 R

DRAFTED BY EB/ISM:JSTJOHN  
APPROVED BY EB/ICD:EAWENDT  
EB/ISM:ACHEWITT  
ARA/ECP:ACOOLEY  
-----050145Z 059710 /21  
R 042306Z APR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY SANTIAGO  
INFO USMISSION GENEVA

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E.O. 11652: N/A

TAGS:EMIN, UNCTAD

SUBJECT:UNCTAD/COPPER: EMBASSY CONVERSATION WITH  
GONDONNEAU

REF: (A) STATE 68014; (B) SANTIAGO 2248

1. GUIDANCE PROVIDED BY STATE REFTEL REGARDING CURRENT  
USG REVIEW OF COMMODITY POLICY SHOULD BE HELPFUL IN  
EMBASSY'S FUTURE CONTACTS WITH CHILEAN OFFICIALS,  
PARTICULARLY AS REGARDS COMMON FUND NEGOTIATIONS AND  
THEIR RELATION TO INDIVIDUAL COMMODITY CONSULTATIONS.  
WITH SPECIFIC REGARD TO CONVERSATION REPORTED SANTIAGO  
REFTEL, FOLLOWING COMMENTS MAY BE OF INTEREST.  
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2. GONDONNEAU ATTENDED SEPTEMBER PREPARATORY MEETING,  
BUT NOT SUBSEQUENT MEETINGS OF EXPERT GROUP (IEGC). AT  
THE SEPTEMBER MEETING (NOT FEBRUARY) CHILE WAS INDEED  
ISOLATED WHEN USDEL AND OTHERS ULTIMATELY ACCEPTED  
COMPROMISE DECISION WHICH CREATED IEGC TO STUDY COPPER  
SITUATION. THIS WAS NOT A PERUVIAN RESOLUTION FAVORING

THE COMBINED PROGRAM. AN IMPORTANT PART OF THE IEGC'S SUBSEQUENT STUDY EFFORT WAS CONCERNED WITH THE CREATION OF A CONSULTATIVE PRODUCER/CONSUMER BODY, AN OBJECTIVE WHICH THE USG STILL CONSIDERS HIGHLY DESIRABLE.

3. IN FEBRUARY THE IEGC EXAMINED AT GREAT LENGTH ANALYSES SIMILAR TO THAT OF GONDONNEAU IN PARAS 6 & 7 REFTTEL, WITHOUT BEING ABLE TO REACH AGREEMENT REGARDING THE FEASIBILITY AND DESIRABILITY OF A COMMODITY AGREEMENT FOR COPPER OR A PRODUCER/CONSUMER FORUM. THESE EXAMINATIONS CAST SERIOUS DOUBT ON THE FEASIBILITY OF A BUFFER STOCK AND SUPPLY MANAGEMENT MEASURES AS A SOLUTION TO THE PROBLEMS OF COPPER. (SEE GENEVA 2109 FOR MORE DETAIL). THE USG CONTINUES TO BELIEVE THAT THESE ISSUES WOULD MOST FRUITFULLY BE EXAMINED IN A FORUM COMPOSED OF THE MAJOR PRODUCERS AND CONSUMERS OF COPPER, AND THAT THIS WOULD BE FULLY CONSISTENT WITH UNCTAD RESOLUTION 93(IV). WE WILL CONTINUE TO SEEK ESTABLISHMENT OF SUCH A BODY AS SOON AS POSSIBLE. IT MAY BE THAT THIS BODY WILL HAVE TO BE ESTABLISHED WITHIN THE GENERAL UNCTAD FRAMEWORK, ALTHOUGH IT SHOULD HAVE ITS OWN HIGHLY QUALIFIED STAFF IF IT IS TO DO THE CALIBRE OF WORK WHICH WILL BE REQUIRED OF IT.

4. FYI: WE APPRECIATE EMBASSY'S THOROUGH REPORTING ON ALL ASPECTS OF COPPER, AND WOULD SUGGEST CONTINUED CLOSE COVERAGE OF THE UNCTAD DIMENSION. CHILE, WE BELIEVE, CORRECTLY PERCEIVES THAT SEVERAL ASPECTS OF THE G-77/ UNCTAD APPROACH RUN COUNTER TO ITS INTERESTS. ALTHOUGH LIMITED OFFICIAL USE

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GONDONNEAU COMMENT REGARDING SERIOUSNESS OF PURPOSE OF UNCTAD COPPER MEETINGS IS NOT ALTOGETHER INACCURATE, THESE SESSIONS NONETHELESS HOLD REAL IMPORTANCE FOR MAJOR PRODUCERS AND CONSUMERS OF COPPER. GOC MIGHT BEST PROTECT ITS INTERESTS BY STRENGTHENING --NOT DOWNGRADING--ITS REPRESENTATION AT THESE TALKS.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COPPER, COMMON FUND, DIPLOMATIC DISCUSSIONS  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE074948  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** JSTJOHN  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 68014, 77 SANTIAGO 2248  
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**Review Action:** RELEASED, APPROVED  
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**Review Event:**  
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**Subject:** UNCTAD/COPPER: EMBASSY CONVERSATION WITH GONDONNEAU  
**TAGS:** EMIN, UNCTAD  
**To:** SANTIAGO  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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EO Systematic Review  
22 May 2009  
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